



THE COMMITTEE ON ENERGY AND COMMERCE

MEMORANDUM

July 20, 2012

To: Members, Subcommittee on Environment and the Economy and
Subcommittee on Energy and Power

From: Committee Majority Staff

Subject: Hearing entitled: “NRC Policy and Governance Oversight”

On Tuesday, July 24, 2012, at 10:00 a.m. in 2123 Rayburn House Office Building, the Subcommittee on Environment and the Economy and the Subcommittee on Energy and Power will conduct a joint hearing entitled “NRC Policy and Governance Oversight.” The hearing will focus on U.S. Nuclear Regulatory Commission (NRC) decisions and actions relating to licensing and policy making, as well as governance of the agency, in keeping with the Committee’s jurisdictional responsibilities.

I. WITNESSES

Four commissioners of the NRC will present testimony on a single panel.

The Honorable Allison M. Macfarlane, Chairman

The Honorable Kristine L. Svinicki, Commissioner

The Honorable William D. Magwood IV, Commissioner

The Honorable William C. Ostendorff, Commissioner

II. BACKGROUND

The safe and cost-effective development, operation, and maintenance of commercial nuclear power plants and materials is crucial to meeting America’s energy needs, while ensuring protection of public health and safety and the environment.

The Atomic Energy Act of 1954, as amended, provides for both the development and the regulation of the uses of nuclear materials and facilities in the United States. The Act establishes the policy that “the development, use, and control of atomic energy shall be directed so as to promote world peace, improve the general welfare, increase the standard of living, and strengthen free competition and private enterprise.” Section 3 of the Act states: “It is the purpose of this Act to effectuate the policies set forth above by providing for...a program to encourage widespread participation in the development and utilization of atomic energy for peaceful purposes to the maximum extent consistent with the common defense and security and with health and safety of the public...”

The NRC is an independent agency established by Congress in the [Energy Reorganization Act of 1974](#) to oversee the commercial nuclear industry pursuant to the Atomic Energy Act, as amended. In keeping with established policy, the NRC’s [mission](#) is “to license and regulate the Nation’s civilian use of byproduct, sources, and special nuclear materials to ensure adequate protection of public health and safety, to promote the common defense and security, and to protect the environment.”

The NRC operates with approximately 3,950 employees on an annual (FY 2012) budget of \$1,038 million. Of this amount, approximately \$910 million is recovered from fees assessed to NRC licensees. (The FY 2013 budget request is for \$1,053 million, to support 3,927 employees.) The Nuclear Reactor Safety Program, which encompasses NRC efforts to license, regulate, and oversee civilian nuclear power, accounts for approximately \$800 million of agency resources, and the work of roughly 3,000 employees. The Nuclear Materials and Waste Safety Program, which encompasses the agency efforts to license, regulate, and oversee nuclear materials and waste, accounts for approximately \$227 million in agency budget authority, and 870 employees.

The NRC is headed by five Commissioners, appointed by the President and confirmed by the Senate for five-year terms. The President designates one of the Commissioners to serve as Chairman. Under the legal framework for Commission governance and operation set out in the Energy Reorganization Act of 1974 and the [Reorganization Plan No. 1 of 1980](#), the Commission is responsible for policy formation, rulemaking, adjudications, and adjudicatory orders.

Pursuant to statute, and as established in Internal Commission [Procedures](#), the authorities of the Commission are exercised in a collegial manner; each Commissioner has equal authority in all Commission decisions and is to have equal (prompt and full) access to all agency information pertaining to Commission responsibilities. By statute, the Chairman is the official spokesman of the agency and is the principal executive officer for the Commission, responsible for administrative functions of the agency. The Chairman is governed by the general policies of the Commission and by such regulatory decisions, findings, and determinations as the Commission may by law be authorized to make.

In addition to its ongoing safety oversight and licensing activities, the NRC has been notably focusing on “lessons learned” from the consequences of the Fukushima Daiichi nuclear accident in Japan. Following the incident, the NRC established a task force to recommend

orders and regulatory reforms to apply to U.S. operating reactors. The Commission is presently implementing various actions in response to the task force recommendations.

III. ISSUES

Issues to be examined at the hearing may include:

- Commission decision-making relating to nuclear power reactor licensing and re-licensing;
- Commission efforts to ensure safe operation of generating stations;
- Commission actions to implement regulatory changes following the events at the Fukushima Daiichi nuclear power plant in Japan;
- Need for collegiality and unrestricted information flow between senior NRC staff and Commissioners, and between the Chairman and Commissioners; and,
- Importance of a strong safety culture within the NRC.

IV. INSPECTOR GENERAL REPORT

On June 26, 2012, the NRC Inspector General issued an investigative report entitled “Possible Violations of the Reorganization Plan No. 1 of 1980 and NRC’s Internal Commission Procedures by NRC Chairman.” This document relates to the subject of the hearing, will be entered into the hearing record, and is attached for Member reference.

V. STAFF CONTACTS

If you have any questions regarding this hearing, please contact Annie Caputo of the Majority Committee staff at (202) 225-2927.

Attachment